

**Proposed Policy Statement of  
The Energy Council on  
West Virginia and a Regional Natural Gas and  
NGL Storage, Pipeline and Trading Hub**  
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**Background**

West Virginia was a pioneer in the early days of the domestic energy and petrochemical industries. Today, the state is experiencing a revival as a natural gas producer, based on prolific production from the Marcellus, Utica, and related shale formations.

According to the U.S. Energy Information Administration, natural gas production from the region (including West Virginia, Ohio and Pennsylvania) has grown from 2 percent to 27 percent of the nation's total between 2008 and 2017. This regional production flowing in the Northeastern U.S. has allowed U.S. Gulf Coast gas production to be channeled into exports, both by pipelines and as Liquefied Natural Gas (LNG).

West Virginia and its neighbors are now eager to assure that their natural gas resources are used most efficiently, supplying feedstock and fuel to promising petrochemical and manufacturing industries, in service to North America. This vision focuses on a regional energy hub based on geologic storage, pipeline infrastructure, and trading of natural gas and natural gas liquids (NGLs). Ethane, propane, and butane (NGLs) are building blocks for petrochemical and manufacturing processes.

Multiple geologic storage facilities for natural gas and NGLs, with expanded pipeline infrastructure connecting storage to petrochemical and manufacturing facilities, would provide the stability necessary to support the emergence of a regional trading market. Such a market hub would provide price transparency, supporting efficient, competitive processing and manufacturing.

Estimates regarding benefits of a regional hub include the potential of 100,000 new jobs, nearly \$3 billion annually in tax revenues and \$28 billion in economic expansion. The hub represents a multi-billion dollar investment, capable of attracting related investments up to \$36 billion.

In January 2018, the U.S. Department of Energy approved the first phase of a two part application for \$1.9 billion in loans for a proposed \$3.3 billion hub project. Further, international investment money may be available for shale gas development and chemical manufacturing in West Virginia, making the development of a hub possible from both a resource and investment standpoint.

**Recommendation**

The Energy Council urges federal policymakers to support West Virginia's efforts to develop a regional natural gas and NGL storage, pipeline, and trading hub that would maximize utilization of Marcellus and Utica Shale natural gas resources, providing the basis for petrochemical production and manufacturing to serve all of North America.

**Disposition**

This policy statement, passed unanimously at the Energy Council on September 23, 2018 shall be distributed to the President of the United States of America, the Secretary of the U.S. Department of Energy, Secretary of the U.S. Department of Commerce, Secretary of U.S. Department of Transportation, Administrator of the U.S. Environmental Protection Agency, the Chairman of the Federal Energy Regulatory Commission, and the Energy Council's Congressional delegations; as well as the energy ministers of the Council's member Canadian provinces.